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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)

) CC Docket No. 97-181

Defining Primary Lines)

Comments of the
New York State Telecommunications Association, Inc.

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September 25, 1997

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¹ See In the Matter of Defining Primary Lines, Notice of Proposed Rulemaking, CC Docket No. 97-181, FCC 97-316, released September 4, 1997.

as the "Primary/Secondary Proposal"), is a rate design mechanism initially applicable only to Price Cap LECs. While most incumbent LEC members of NYSTA are non-Price Cap, NYSTA fully anticipates that the Primary/Secondary Proposal will ultimately also be under consideration for application to non-Price Cap LECs.² In the event that the Commission were to adopt the approach suggested in the Notice, one clear consequence would result -- the ability of any carrier to attract customers to second line offerings would diminish due to the application of increased federal charges to such lines.³ Accordingly, NYSTA submits that moving forward with the Primary/Secondary Proposal is ill-conceived and adverse to the public interest.

In the experience of NYSTA's members, second line offerings are often used by customers to utilize universal service and other offerings on a concurrent and efficient basis. For example, residential customers may elect to utilize additional lines in order to receive and use the Internet and other value-added capabilities in the home, while avoiding unnecessary interference

² See id. at para. 4.

³ The disparity between primary and secondary line SLCs will be greatest in the higher cost to serve rural areas. Many urban-based LECs will not reach maximum SLC line charge levels.

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with ordinary dial tone services. Further, by providing second line services, LECs are able to obtain greater economies of scale, greater use of the existing network, and recovery of their cost of providing service over a greater number of lines. As a result, second line offerings have fostered policies promoting greater use of the network as a means to lower per-unit costs and to promote beneficial activity in our modern economy. These clear public interest benefits would be undermined if the Commission's Primary/Secondary Proposal is applied to either Price Cap or Rate of Return LECs.

The increased price for secondary lines under the Primary/Secondary Proposal would clearly provide a disincentive for customers to select a second line offering. Therefore, the number of total anticipated lines (and the number of expected secondary lines) may, under the Commission's plan, be much less than what would otherwise be anticipated. Even if secondary line demand is merely dampened by the rate structure, secondary lines still will be difficult to identify, and the extent of anticipated cost recovery from them may never materialize.

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Given the choice between (1) identical rate treatment of primary and secondary lines with a greater number of secondary lines; or (2) differential treatment with a lesser number of secondary lines and the added cost of administering the differences, NYSTA submits that consumers as well as the industry would be better served under the first option. Moreover, continuing a policy that promotes second line offerings will have the added public interest benefit of fostering greater economies of scale and providing an economic stimulus within the network. Under the Primary/Secondary Proposal, end users will be required to make choices and will be forced in many cases to settle on service that is less than they would otherwise desire.

**II. Customer Certification of Primary Lines
is Unworkable (Notice at paras. 6-7, 9-10)**

NYSTA also submits that, even if the Commission were to adopt the customer certification proposal offered in the Notice, the Primary/Secondary Proposal is still fraught with uncertainty and potential increased administrative burdens. This uncertainty and increased administrative burden, in turn, further call into question whether the Primary/Secondary Proposal has any public interest merit.

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Regardless of well-intentioned efforts to establish a simple and straightforward certification process, customers would be confused and/or inquisitive about the necessity of their response. Furthermore, NYSTA fully anticipates that the industry would incur significant expense associated with both responding to inquiries and administering the Commission's plan. Regardless of any efforts to establish safeguards (e.g., random audits), any proposal places LECs in the undesirable position of either second guessing a customer's certification (in the event of an inadvertent error), or acting as enforcer if, and when, a customer is later found to have misrepresented the certification.

These examples of the practical obstacles that are present in the self-certification proposal demonstrate how the process envisioned by the Notice is fraught with uncertainties. Accordingly, the self-certification aspect, along with the entire Primary/Secondary Proposal, should be abandoned as unworkable.

The Primary/Secondary Proposal will discourage efficient network usage, impede the delivery and utilization of universal services, confuse customers, and further convince the public that the Commission's "pro-competitive" policies are only for the benefit of "big business." Accordingly, the Primary/Secondary Proposal represents the epitome of irrational rulemaking and should

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be rejected and abandoned.

Respectfully submitted,

**The New York State
Telecommunications Association, Inc.**

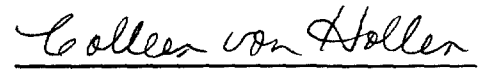
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CERTIFICATE OF SERVICE

I, Colleen von Hollen, of Kraskin & Lesse, LLP, 2120 L Street, NW, Suite 520, Washington, DC 20037, do hereby certify that on this 25th day of September, 1997, a copy of the foregoing Comments of the New York State Telecommunications Association, Inc. were hand-delivered to the following:


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